



**BEFORE THE PUBLIC UTILITIES COMMISSION OF THE
STATE OF CALIFORNIA**

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Application of Southern California Edison
Company (U338E) for Approval of its Energy
Savings Assistance and California Alternate
Rates for Energy Programs and Budgets for
Program Years 2015-2017.

And Related Matters.

Application 14-11-007
(Filed November 18, 2014)

Application 14-11-009
Application 14-11-010
Application 14-11-011

**SOUTHERN CALIFORNIA EDISON COMPANY'S (U 338-E) REPLY COMMENTS ON
PROPOSED DECISION AND ALTERNATE PROPOSED DECISION REGARDING LARGE
INVESTOR-OWNED UTILITIES' CALIFORNIA ALTERNATE RATES FOR ENERGY AND
ENERGY SAVINGS ASSISTANCE PROGRAM APPLICATIONS**

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PROPOSED DECISION AND ALTERNATE PROPOSED DECISION REGARDING LARGE
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I. INTRODUCTION AND OVERVIEW

Pursuant to Rule 14.3 of the Rules of Practice and Procedure of the California Public Utilities Commission (Commission or CPUC), Southern California Edison Company (SCE) hereby submits its reply to parties' opening comments¹ on both the Proposed Decision (PD) and the Alternate Proposed Decision (APD) addressing the Investor-Owned Utilities' (IOUs') California Alternate Rates for Energy (CARE) and Energy Savings Assistance (ESA) Program Applications.

SCE recommends that the Commission proceed as follows with various parties' recommendations:

- Decline to adopt NCLC's and CHPC's recommended use of unspent funds on non-cost effective multi-family common area measures;
- Preserve and improve upon—rather than eliminate—SCE's evaporative cooling program, and correct inaccurate statements in the APD that evaporative coolers replace air conditioning units;
- Grant the proposal of various parties to eliminate the Three Measure Minimum (3MM) and Go Back Rules;
- Decline to adopt Brightline's recommendation to phase in LED measures no later than January 1, 2017 and allow for an LED phase-in transition period;
- Grant SDG&E's proposal to allow the IOUs to retain Tier 1 “smart” power strips as approved ESA measures;
- Decline to adopt Greenlining's recommendation that the IOUs revise their AB 793 Advice Letters to include plans for incorporating Energy Management Technology incentives for low income customers; and
- Grant the proposal of SDG&E and SoCalGas to eliminate the requirement that California LifeLine vendors be automatically enrolled in the CARE Capitation program.

¹ In addition to SCE, the following parties filed opening comments on the draft decisions: Pacific Gas and Electric Company (PG&E); San Diego Gas & Electric Company (SDG&E); Southern California Gas Company (SoCalGas); the Office of Ratepayer Advocates (ORA); The Utility Reform Network (TURN); the Natural Resources Defense Council (NRDC); the National Consumer Law Center and the California Housing Partnership (NCLC/CHPC); the Greenlining Institute (Greenlining); Brightline Defense Project (Brightline); the Center for Accessible Technology (CforAT); Marin Clean Energy (MCE); the Department of Community Services and Development (CSD); the Energy Efficiency Council (EEC); the Interstate Renewable Energy Council, Inc. (IREC); EnergySavvy; Embertec USA LLC (Embertec); Nest Labs, Inc. (Nest); Proteus, Inc., and La Cooperativa Campesina de California (Proteus/La Cooperativa); and the East Los Angeles Community Union, the Maravilla Foundation, and the Association of California Community and Energy Services (collectively, “TELACU et al.”).

II. DISCUSSION

A. Unspent Funds Should Not Be Used For Non-Cost Effective Multifamily Common Area Measures

NCLC/CHPC request that the APD “direct 32% of the 2009-2015 Unspent Funds be allocated towards the new multi-family ESA component and 15-25% of Unspent Funds for government/nonprofit or deed-restricted multifamily housing.”² While more can be done to achieve savings in the multi-family sector, any directive allocating approximately 60 percent of Unspent Funds for multi-family housing is premature and unnecessary.

In Decision (D.) 14-08-030, SCE was ordered to “propose new, cost-effective measures for the multifamily sector, including common area measures and central heating, cooling and hot water systems.”³ Based on this direction, SCE’s 2015-2017 Program Plans and Budgets Proposal put forth a comprehensive strategy to address the multi-family sector. In preparing this strategy, SCE was not able to identify cost-effective multi-family common area measures. Once the Commission issues a final decision on SCE’s proposal, SCE will be able to implement its proposed strategies consistent with the final decision. The Commission should allow SCE’s proposal for 2015-2017 to be implemented and assessed to determine whether there are any cost-effective common area measures before directing the IOUs to allocate a set percentage of unspent funds to multifamily units.

Additionally, ORA states that the benefits of ESA common area measures should accrue *primarily* to low income customers rather than to property owners. ORA explains that common area measures are generally master-metered and that the benefit accrues not to the low-income tenant but to the building owner in the form of a lower bill. Without an easily enforced mechanism validating that tenants directly benefit from the measure, there is no way to measure how the limited ESA budget is actually lowering a low-income tenant’s bill or otherwise maximizing the health, welfare, or comfort of the low-income tenants.⁴ Before the Commission allocates a significant amount of unspent ratepayer funds from prior program years to the multifamily sector, it should first make sure that low-income tenants are direct beneficiaries. Therefore, the PD’s approach to common area measures is more appropriate than the APD’s because it guarantees that no direct tenant benefits are lost to low-income customers as a result of difficult-to-enforce master-metered common area programs. SCE urges the

² NCLC/CHPC Opening Comments, p. 8.

³ D.14-08-030, Ordering Paragraph (OP) 41 at p. 121.

⁴ ORA Opening Comments, pp. 11-12.

Commission to adopt the PD's approach, which is to install approved cost-effective multi-family measures.

B. The APD Should Be Revised To Delete Requirements To Cease Installation of Evaporative Coolers, Which Continue To Be More Cost-Effective Than Air Conditioning Units

The APD opposes installation of evaporative coolers on two main grounds—their reliance on water (with the attendant maintenance required to dispose of it), and a need for an open window to make the evaporative cooler work. The record does not support *eliminating* evaporative coolers on these grounds. Although SCE recognizes the drought-related concerns, SCE supports the comments of Proteus/La Cooperativa, seeking to encourage utilities to work with manufacturers of evaporative cooling technology to increase its water efficiency. These intervenors encourage the utilities to “work with manufacturers to enhance or develop a water-efficient evaporative cooler that utilizes high efficiency pads.”⁵ With respect to the open window, that, too, is a concern that could be potentially mitigated with an “innovative venting system not requiring a window in the home be open and an internal water recycling system rather than a purge pump.”⁶ Because evaporative cooling technology is more cost-effective than central air-conditioning measures, SCE supports exploring these options further. Indeed, Finding of Fact #32 misapprehends the status quo when it states that it is “unreasonable to *replace* inefficient air conditions with evaporative coolers” (emphasis added) because SCE does not do that; it installs evaporative coolers as a complement to already existing air conditioning units. (Ordering Paragraph 21 makes the same error.)

The APD states that “SCE is authorized to *continue* offering *central* air conditioning instead of evaporative coolers in the areas where it proposed evaporative coolers, and shall phase out evaporative coolers in favor of energy efficient air conditioners.”⁷ SCE clarifies that it currently replaces inefficient central A/Cs only in climate zones 14 and 15. However, the reach of its evaporative cooler initiatives extends to climate zones 10, 13, 14, 15 and 16. Thus, the statement in the APD authorizing central air conditioning replacement in “the areas where [SCE] proposed evaporative coolers” is too broad and, if retained, should instead be limited to areas where SCE is undertaking central air conditioning replacement work. Otherwise, the APD could perhaps unintentionally be read to require *installation* of central A/Cs where none existed, an undertaking that would significantly increase the cost of the work

⁵ Proteus/La Cooperativa Opening Comments, p. 8.

⁶ *Id.*

⁷ APD, p. 113 (emphasis added).

devoted to each home. Similarly, the statement in the APD authorizing SCE to “install more energy efficiency *central* air conditioners in place of inefficient air conditioners” should be limited to Zones 14 and 15.⁸

C. The Three Measure Minimum Rule Should Be Eliminated

SCE agrees with the comments of ORA, CforAT, Brightline, and other parties⁹ that the Three Measure Minimum (3MM) Rule should be eliminated in the PD. Doing so will allow a broader group of eligible customers to receive feasible measures, increase energy savings, and enhance the cost-effectiveness of the ESA Program.

D. The Go Back Rule Should Be Eliminated

ORA “is concerned that opportunities for providing meaningful measures to many households treated since 2002 will be missed without any changes to the Go Back Rule.”¹⁰ SCE and other parties¹¹ agree with ORA’s concern and urge the Commission to eliminate the Go Back Rule in the PD so that customers previously served can receive new measures not available during the initial visit.

E. LED Phase-In Should Allow For A Transition Period

Brightline urges the Commission to direct IOUs to limit CFL installation and shift to LEDs to the extent practicable, supporting the “phase-in of LED measures no later than January 1, 2017.”¹² SCE agrees with Brightline that LED measures should be approved as a replacement for CFLs in the ESA Program. However, SCE requests that the Commission follow the direction in the PD¹³ and not explicitly require a transition date for this measure. SCE plans to issue a solicitation for this and other measures approved for the program once a final decision is issued. SCE seeks to transition to LEDs as expeditiously as possible while depleting current CFL inventory and allowing the appropriate time to award the selected vendor a purchase order for procurement of LEDs. SCE urges the Commission to approve LEDs as the replacement measure for CFLs and allow for a transition period without setting a specific transition date.

⁸ *Id.*

⁹ Other parties that took similar positions include: SoCalGas; Greenlining; Embertech; TELACU et al.; and Proteus/La Cooperativa.

¹⁰ ORA Opening Comments, p. 4.

¹¹ Other parties include: Greenlining; EEC; TELACU et al.; and Proteus/La Cooperativa.

¹² Brightline Opening Comments, p. 3.

¹³ PD at pp. 82-83 & OP 18.

F. Tier 1 Smart Strips Should be Retained

In SDG&E's Comments on the PD & APD,¹⁴ SDG&E seeks modification of its prior proposal and have the ability to retain Tier 1 Smart Strips as well as adding Tier 2 Smart Strips in the ESA Program. SCE supports SDG&E's request because Tier 1 power strips are better suited for most non-audio/visual applications such as home offices. SCE recommends that the Commission allow all IOUs to retain Tier 1 power strips for such applications.

G. AB 793

Greenlining urges the Commission to "direct the IOUs to revise their AB 793 plans by supplementing their AB 793 Advice Letters with plans for incorporating Energy Management Technology (EMT) incentives for low income customers as soon as possible."¹⁵ SCE clarifies that the ESA Program does not offer incentives to customers. ESA provides free measures to income-eligible households subject to existing program rules. In connection with proceedings R.13-11-005 (Energy Efficiency Rolling Portfolio) and R.13-09-011 (Demand Response), SCE filed Advice Letter (AL) 3446-E on August 1, 2016, setting forth a proposed plan to comply with AB 793.¹⁶ SCE's marketing, education, and outreach plan for its AB 793 EMT offerings includes targeted outreach to low-income customers. SCE recommends that any requirements for educating low-income customers related to AB 793 be addressed by the Commission when it resolves the AB 793 advice letters, and not within the final decision in the instant proceeding.

H. California Lifeline Vendors Should Not be Automatically Enrolled as CARE Capitation Agencies

SDG&E proposes that California LifeLine vendors should not be automatically enrolled as CARE Capitation Agencies because they are for-profit entities. SDG&E recommends that the IOUs vet these agencies to understand their enrollment capabilities and to address any customer privacy issues.¹⁷ SCE supports SDG&E's recommendation. All potential capitation vendors should be reviewed and approved based on program requirements, cost effectiveness and customer needs. The Commission should not require the IOUs to automatically enroll California LifeLine vendors as CARE capitation agencies.

¹⁴ SDG&E Opening Comments, p. 12.

¹⁵ Greenlining Opening Comments, p. 9.

¹⁶ SCE also filed a supplement to the AL on August 9, 2016 pursuant to direction from Energy Division to separate the joint IOU marketing plan into a separate ALs.

¹⁷ SDG&E Opening Comments, p. 6.

Respectfully submitted,

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